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Iowa Development Commission

Digest

January, 1982

Iowa

A tradition of excellence

1981 Iowa Development Commission Annual Report

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Iowa

Administration

Within the Iowa Development Commission, the Administrative Services Division provides overall coordination among the individual IDC division's programs to ensure consistency. In addition to the coordination function, the division serves as liaison with the Comptroller's Office, the Executive Council, the Legislative Fiscal Bureau and Legislative Service Bureau.

Dear Iowans:

A combination of high interest rates and low agricultural commodity prices during 1981 put the squeeze on many sectors of the Iowa economy, including Iowans' pocketbooks. Many workers have been presented with the frightening reality of indefinite layoffs from their jobs.

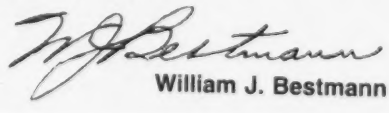
Iowa, however, does not have a corner on this recession. In fact, we in the Hawkeye State are holding our ground much better than some of our neighbors. Traditionally, Iowans do not back away from a challenge; we have met the challenges of 1981 head-on.

Iowans continued to be national leaders in many fields during the past year, in spite of all difficulties. Iowa's farmers led the nation in corn production for 1981, and ranked second in total yield for soybeans. Iowa was again a leader in international trade, with the latest figures available ranking Iowa number one in total exports per capita in the nation. An additional 240 new and expanding industries called Iowa home as of 1981, and a record number of travelers stopped at Iowa's seven interstate tourism information centers. The Iowa Development Commission is working in all of these fields to increase their contribution to the Iowa economy.

National and worldwide fluctuations in the economy are a fact of life. Our task is to expand the state economy, a healthy mix of agriculture and industry, to lessen the impact of recession and to take advantage of growth opportunities. Alone, the IDC cannot accomplish these objectives. But with cooperation of Iowans in all segments, we can succeed.

A good example of cooperation is the Iowa Community Betterment Program, the largest program of its type in the nation. During 1981, nearly 200 Iowa communities pulled together to work on volunteer projects designed to make their communities, and the entire state, a better place. Vice President George Bush took time to stop at the 1981 Recognition Day ceremonies, and he praised Iowans for outstanding volunteer efforts through ICB.

The key is working together through what I call the "critical alliance" — the active progressive cooperation among Iowa labor, Iowa business and Iowa government. This critical alliance is absolutely essential to the economic well-being of Iowa's future. The problems facing us are monumental, but Iowa has built a tradition of excellence and has become known as a "place to grow." By working through the critical alliance these traditions will not be broken.



William J. Bestmann

Welcoming the new director

During the past year, the most significant area of responsibility involved the briefing and orientation of the agency's new director, Bill Bestmann. He officially joined the IDC staff March 1.

One of the dominating factors facing the Iowa Legislature this past year was the recessionary conditions which the state's economy has faced. For the fiscal year which ended June 30, 1981, the agency was able to reduce or modify programs to absorb the 4.6 percent budget reduction order from the Governor, a $90,000 budget reduction directed by the legislature and operate in such a manner that by the end of June, 1981, the agency was able to revert an additional $10,570 to the state's treasury.

Streamlining operations

As part of the division's ongoing efforts to improve the internal operations of the agency, word processing equipment was obtained.

Charged with the promotion of Iowa, the IDC received more than 22,000 mail requests for information on Iowa and sent out 23,500 packets answering written and telephone requests.

Special conferences

During the year, Administrative Services represented the IDC in several special conferences. Also, Administrative Services has served as the liaison with the Governor's Economy Committee and their recommendations which pertain to the Iowa Development Commission. One of the main recommendations concerning the IDC was the suggestion to transfer the Marketing Division of the Iowa Department of Agriculture to the commission. After deliberating, the Legislature decided to leave the Marketing Division within the Department of Agriculture, but required the department and the IDC to enter into a 28E Agreement, designed to prevent duplication of services or programs.

Hosting foreign visitors

In addition to having special projects assigned by the IDC Director, Administrative Services has assisted the Governor's Office in hosting foreign dignitaries visiting the Hawkeye State, served as the liaison with the Iowa Chamber of Commerce Executives and coordinated the agency's planning and budgetary processes.

The objective of the Iowa Development Commission's International Office, located in Frankfurt, West Germany, is to create *jobs* for Iowans through promotion of Iowa products in Europe, and by attracting manufacturing investment to the Hawkeye State.

Business in Europe is facing high labor rates, increasing social costs and political uncertainty. These elements will encourage European capital to migrate to areas of stability and greater return on investment. This will happen unless the severe step of curtailing capital exports is taken by various countries, in which case all bets are off.

Although the American dollar has climbed in value, somewhat, (it has stabilized near the 2.20 Deutsch Mark level from a high of 2.57) American manufacturing costs are increasing much slower than European costs, with the result that U.S. products will become more cost competitive than European products. Presently, only the United Kingdom has a lower wage rate than the U.S.

The United States, during this turbulent time, appears to be a future haven to many Europeans. The promised resurgence of the American economy and our commitment to free enterprise, at a time when others are reaching for a socialistic solution and greater government control, will again draw capital and investment from the rest of the world.

In 1980, three companies invested in Iowa. In 1981, activity slowed due to the factors mentioned previously — high interest rates, volatile exchange rates and the general contraction of the free world economies.

In 1981, the International Office also lost one-half of the professional staff, when Trade Director Glenn Buhr returned to Iowa in June of 1981. Since then, Paul Wagner has been handling both the trade and investment programs with the help of Administrative Assistant Gertrude Keller. There are several developments taking place in the investment area. Representatives from a European firm have been in Iowa working in the factory of one Iowa company for several months putting together a joint venture in food production — meat products. An Iowa company is in the process of planning an expansion of facilities to handle equipment from Germany to manufacture fabricated metal products. This is a new process to the U.S.

The International Office is currently working with seven Iowa companies that are seeking equity participation in their companies. Several European firms have contacted and/or visited Iowa.

A total of 96 foreign prospects developed in 1981; 50 involving joint venture, 27 license, 13 direct and six acquisition.

Ten European companies visited Iowa in 1981 seeking investments in the state. A total of 300 Iowa companies were contacted by letter outlining license, joint venture and equity agreements in 1981. In addition, such proposals are published monthly in the *IDC Digest* which is mailed to all Iowa manufacturers.

Approximately $850,000 in European money has been deposited in Iowa banks for future investment possibilities.

During 1981, Wagner traveled a good deal visiting European companies. He attended 14 U.S. Information Days or "Sprechtags" and six investment seminars. During each of the information days and investment seminars, 10 to 20 firms are visited.

The International Office has product information from approximately 250 Iowa companies on file in Europe, and is receiving more. These companies are assisted in marketing their products through advertisements placed in free commercial publications such as export-import digests, embassy publications and trade and agricultural publications in Germany and Austria.

Direct mail campaigns are also conducted. Contacts are made with interested companies, agents and distributors. More than 2,100 such letters were posted from the International Office in 1981, resulting in 146 leads for Iowa export products.

In addition, through "Information Days" and other trade shows 160 leads were sent to the International Division of the Iowa Development Commission. These leads were disseminated to Iowa manufacturers from the division. More than 1,500 letters went out to the various qualified companies.

Ten Iowa companies traveled to Europe, and were assisted in marketing and making contact with European firms.

The International Office participated in the IDC Trade Mission to Scandinavia in September, 1981, and after the mission assisted one firm on its marketing program in Germany.

In summary, the marketing of Iowa products in Europe is possible, and many Iowa firms are successful. The small Iowa firms are assisted by such a program, as they have no export division or the skills to market their products in Europe without help.

Exports create jobs. Each $100,000 in exports creates two manufacturing jobs, $28,556 in personal income and $4,000 in state and local taxes. Iowa has 234,000 workers engaged in manufacturing, 20,000 of those jobs are created by the export of Iowa products, and 5,000 to 6,000 of those jobs are created by foreign investment in Iowa, largely from Europe.

These trends will continue.

Iowa
Agricultural Development & Promotion

Ag Division works to expand markets for Iowa's commodities

Mark Fischer, of the Iowa Beef Industry Council (left), and the Iowa Pork Producers Association's Rich Degner work out of the Iowa Development Commission coordinated booth at the Food Marketing Institute show in Dallas.

The Agricultural Development and Promotion Division of the Iowa Development Commission was established to assist in the broad-based development of the agricultural industry in Iowa. The division carried out many activities and programs aimed at stimulating and expanding profit-oriented agriculture. This has been achieved through cooperative programs with the state's various commodity organizations, aggressive promotional programs, market development activities and projects that draw public attention and support the state's agricultural industry.

Fine Iowa Meats

During 1981, the ongoing Fine Iowa Meats promotional program enjoyed a successful year, coordinating seven individual promotions. A total of 635 stores were visited by 149 Iowa livestock producers. Participating producers travel, at their own expense, to the various metropolitan areas throughout the U.S. where the promotions are conducted. Using an average value of $1.45 a pound, this single program generated approximately $7.25 million in sales for the participating Iowa packers. The producer, packer and retailer all work together under the coordination of the IDC. The long-term goal of FIM is to increase consumption of Iowa meats and to establish the association of quality meat and Iowa firmly in the consumer's mind. This was the 11th year of the program.

National food shows

Another area of promotion for Iowa's quality food in 1981 was exhibiting at three national food shows. The conventions of the Food Marketing Institute, the National Restaurant Association and the American Dietetic Association put buyers and potential consumers in touch with Iowa's quality food products.

At these shows, the Ag Division sponsored a booth where division staff and food experts from the Iowa Corn Promotion Board, Iowa Beef Industry Council and the Iowa Pork Producers Association responded to inquiries from potential buyers. Also, several representatives of Iowa's food processing industry participated in the exhibit at the Food

Marketing Institute. In total, mor than 6,000 inquiries made b domestic and foreign buyers repre senting the retail, restaurant and in stitutional segments of the food in dustry were followed through by the staff of the Ag Division and par ticipating commodity groups.

Since a large part of the promotional activities by the division and commodity groups take place out of the state in the metropolitan markets that offer the most potential, in early 1981 the division conducted a Mini-Food Fair to expose Iowa legislators and state officials to these promotional activities. At this get-together, commodity groups served food samples representative of their respective industry. Those in attendance learned first-hand from producers about the quality of those Iowa products and the efforts of these organizations to promote them. Governor Robert Ray, legislators and other governmental leaders attended this event to see Iowa's "sales force of food products" in action.

Carolyn Taylor of the Iowa Turkey Federation gives a turkey dish a final stir at the Iowa Food Fair, February 3, 1981. The fair was designed to show Iowans how commodity groups and the Iowa Development Commission promote Iowa's agricultural products.

Educational efforts

The Ag Division again sponsored a Farm Media Workshop. More than 60 ag leaders from around the state were interviewed by reporters from print, radio and television media. Participants felt this hands-on experience was beneficial and would enhance their roles as communicators for their respective organizations. Ironically, "CBS Evening News" reporters were in Des Moines to interview ag leaders. The reporters came to the media workshop and interviewed several Iowans. In conjunction with the Farm Media Workshop, a special session was held for staff members of the commodity organizations. This workshop was designed to enhance their public relations skills and sharpen their interviewing and writing techniques.

To help keep step with the fast changing management techniques used by today's Iowa farmers, the Ag Division teamed up with the IDC's Research Division and Iowa State University in sponsoring an Agriculture Computer Seminar. Fourteen workshops were conducted in which farmers could learn how the use of a computer could be incorporated into various farming enterprises. More than 400 people participated in this two-day event.

The Ag Division is currently working closely with the Agriculture Council of America in promoting the U.S. Farm Export Education Project. The goal of this media campaign is to increase the public's awareness of the contribution agricultural exports make to the economy.

The Foods from an Iowa Farm project, initiated by the Ag Division in 1979 as a joint effort of the IDC, the commodity groups and the Iowa Department of Agriculture, continued. Through this project a catalog of educational information from the commodity groups is made available to school nurses and teachers. This project has served as an excellent mechanism for distributing nutrition and agricultural information about Iowa's commodities to the public schools. This type of communication helps strengthen the voice of Iowa's agricultural sector.

Commodity group cooperation

The Ag Division also works with individual commodity organizations on special promotional projects. For example, in conjunction with the Iowa Pork Producers Association and the Iowa Beef Industry Council, displays and literature were developed to promote Iowa's food, in particular red meats, to the traveling public in Iowa. This information will be available in the IDC's seven tourism information centers located throughout the state.

Other activities of the division included hosting foreign trade teams, conducting market research and disseminating information for potential buyers of Iowa's agricultural products.

The Agricultural Development and Promotion Division of the Iowa Development Commission supports the growth of Iowa's farming industry and strives to improve its financial health. Through direct product promotion, assistance to commodity groups, research coordination and the development of new markets, the Ag Division and its advisory group, the Agriculture Promotion Board, work to strengthen and expand the agricultural sector of the Iowa economy.

Iowa Community Betterment

Volunteers work for a better Iowa through Iowa Community Betterment

United States Vice President George Bush accepts applause from Iowa's first lady, Billie Ray, Governor Robert Ray, Senator Roger Jepsen and the more than 1,300 Iowans attending the Iowa Community Betterment 1981 Recognition Day festivities November 6, 1981. Bush praised Iowans for outstanding volunteer efforts.

Iowa Community Betterment continued to bring out the best in communities throughout the state in 1981, even though last year presented itself as one of the more challenging times for Iowa communities, as well as for the ICB staff.

The division pushed the ICB enrollment up to 199 Iowa communities and neighborhoods. The division also guided 138 communities through the process of submitting project books. And in the neighborhood category, 12 Iowa neighborhoods participated in Iowa Community Betterment in 1981, a four-fold increase from 1980. It all culminated on Recognition Day 1981 with a record crowd of more than 1,300.

A special ICB year

This past year was a special time in Community Betterment. Communities entered excellent projects and there was an outstanding team of judges. Recognition Day, held November 6 at Hilton Coliseum in Ames, was something extra special, featuring a visit from the Vice President of the United States, George Bush.

Another 1981 highlight was the series of judging workshops in July and August. In all, 34 were conducted throughout the state and a record 129 communities participated. The workshops stressed documentation, the importance of good record-keeping, good presentations to the judges and details concerning the judges' score sheet. Revised in 1981, the score sheet is designed to make it easier for the judges to accurately evaluate a community and for the community to understand how they have been evaluated.

Largest program in U.S.

Going into 1981, the Iowa Community Betterment Program con-

Peterson volunteers explain new ambulance equipment to judges Carolyn Kiper (center) and Jude Conway during ICB judging week, September 21-25, 1981.

tinued to hold the distinction of being the largest program of its kind in the country. It also had the additional, but dubious, distinction of having the third smallest staff, behind the states of North Dakota and Colorado.

For the second year in a row, the community booth displays added a lot of spirit to Recognition Day activities. Again, as in 1980, the displays gave communities a chance to promote their heritage, their accomplishments and to show their pride. The booths quickly became a gathering place for those who participated in Recognition Day to meet one another, compare notes, learn something new and hear what others are doing in the field of community development. For the first time, cash awards were given for the top three outstanding booths.

Workshops

As in the past, Recognition Day workshops on various community development topics were an important part of the successful day. The workshops were designed to fill needs identified by the communities earlier in the program year. Throughout the day, volunteers attended workshops on various ways to give downtown areas a facelift. They looked into methods of preventing crime at home, they studied ways to beef up the community volunteer program and they looked at other community development topics.

Another popular Recognition Day event was a periodic showing of a special 12-projector, computerized slide presentation from the University of Iowa called "Iowa: A Place to Grow."

Vice President Bush visits Iowa

The Governor's Leadership luncheon took on new significance in 1981 because of an appearance and speech by the second highest ranking U.S. official. Vice President George Bush praised Iowans for their outstanding volunteer efforts and said he would be asking state officials for examples of volunteer projects undertaken in Iowa. He said the project reports would be forwarded to the President's Task Force on Volunteerism as examples of how self-help, community-based projects can be accomplished. The Vice President was accompanied on his Iowa trip and Recognition Day apearance by U.S. Senators Roger Jepsen and Charles Grassley and by Congressmen Cooper Evans and Jim Leach.

IDC Commissoner Bill Riley was master of ceremonies for the awards luncheon, announcing the names of outstanding volunteers from each community in the Iowa Community Betterment Program. Iowa's first lady, Mrs. Billie Ray, presented the leadership award winners with a plaque commemorating their community activities.

Awards Banquet

During the Recognition Day evening banquet, Keith Kirkpatrick of WHO Radio, took over the microphone duties and announced the communities collecting outstanding achievement, youth and energy conservation awards. Kirkpatrick shared the spotlight with Governor Robert Ray who presented the winning communities with a plaque and check.

The 1981 awards purse totaled $23,000 with $20,000 coming directly from the Community Betterment sponsors and the remainder from the Iowa Blue Flame Gas Association for projects designed to conserve energy.

Almost all of the communities completing the ICB Program provided some documentation of the number of their volunteer hours, the amount of fund raising accomplished, grants and loans received and donated goods and services. And in 1982, there will be an effort to continue educating program members in this area.

ICB means development

The Community Betterment Division is rather proud of its accomplishments in 1981 and will strive to continue to be a working "tool" for communities of all sizes throughout the state of Iowa. Again the emphasis this year was on ICB's ability to act as a vehicle for pursuing community development. In these times of economic hardship, that will continue to be stressed.

Also, in addition to trying to maintain the largest program of its kind in the country the ICB staff's job is to ensure that Iowa's program will continue to be the *best* program of its kind in the country. If we meet with continued success in both areas, the staff's mission for future years will have been fulfilled as it was in 1981.

Iowa
Industrial Development

Iowa new and expanding industries number 240 in 1981

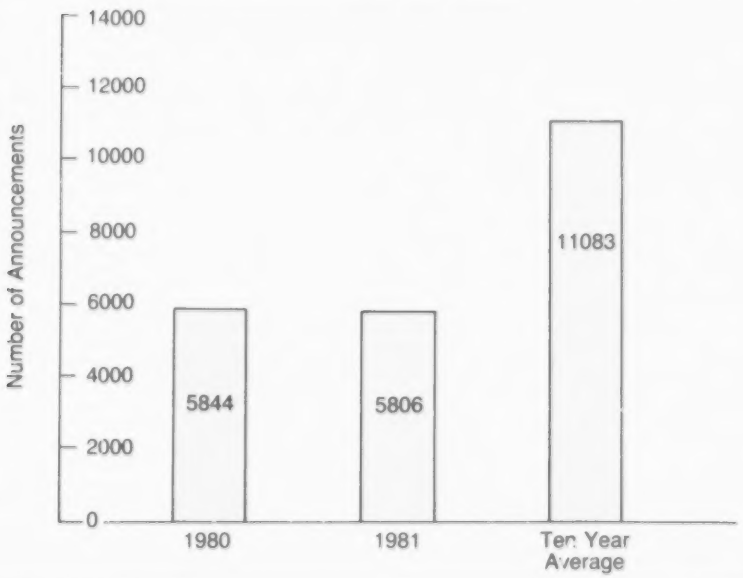
The nationwide recession did have an impact on the Hawkeye State during 1981, but Iowa Development Commission figures show more than 240 new and expanding industrial projects were recorded in Iowa during the past year, up 10 from 1980 levels.

New industrial locations, 81 in 1981, are down 7 percent from 1980, but expansions gained 11 percentage points over 1980 levels, numbering 160. Total capital investments from these projects came to nearly $440 million in 1981, off 32 percent from the nearly $650 million invested during 1980. A total of 5,806 new jobs were created during the past year, compared to 5,844 in 1980.

Iowa continues aggressive work

"As expected, industrial activity slowed down a little during 1981, but the figures were much better than they could have been," Ron Kraft, director of the IDC's Industrial Development Division, said.

MANUFACTURING EMPLOYMENT
Anticipated job announcements
The total anticipated manufacturing job announcements are down 1 percent from 1980 and down 48 percent from the ten-year average.



NEW IND
1972

TOTAL NEW INDUSTRIES: 815
***Includes branch plants and new corp**

"Competition for new industries, and the jobs they provide, becomes even more intense during a recessionary period, and Iowa continues to work aggressively. Activity was down, but we did have industries looking at, and locating in, Iowa during the past year."

Looking at a 10-year average of industrial activity, the number of new industries coming to Iowa was down 1 percent, and industrial expansions within the state were down 5 percent. Total new employment for 1981 was down 48 percent from the 10-year average and capital investments by new and expanding industries were down 1 percent.

Source of prospects

Most of Iowa's industrial prospects continue to come from companies based in the Midwest. In regard to the standard industrial classifications code, the following classes remain as the "big hitters:"

- food and kindred products
- motor freight
- transportation and warehousing
- fabricated metal industries
- machinery, except electrical

New industrial prospect activity declined to 54 in 1981, a 16 percent drop from the 64 industrial prospects that took a look at Iowa in 1980.

Available buildings

Available buildings continue to be an effective lure with which to draw industries to Iowa communities. For the past four years, more than 80 percent of the industries looking for new plant locations have concentrated on communities that have one or more buildings available for occupancy.

The Industrial Development Division sent out information 363 times on available Iowa buildings during 1981. A list of available buildings was published bi-monthly in the *IDC Digest*, and a special issue of the *IDC Digest*, featuring photographs and information on community or local utility funded available buildings, was published in mid-April, 1981.

A total of 48 percent of Iowa's new industries in 1981 located in available buildings, with a resulting 62 percent of all jobs created by new industrial announcements. Capital investments in available buildings accounted for 10 percent of all capital investments made by new industries during the past year. According to Kraft, these figures show that industry's preference for locating in an existing building, a trend that became evident during the 1970s, is continuing.

The average new Iowa industry for 1981 invested $769,395, added 32 jobs and located on a five-acre site.

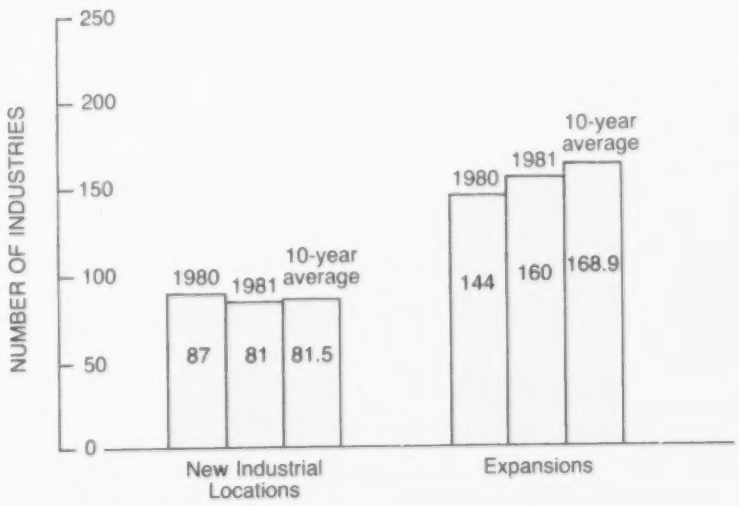
Total land absorbed for industrial purposes was 635 acres, or two one-thousandths of one percent of Iowa's land, on which an average of nine jobs per acre was created. Capital investment came to $693,000 per acre with a 5,000 square foot facility built on that average acre.

USTRIES*
1981

rations

NEW LOCATIONS AND EXPANSIONS

New industrial locations are down 7 percent from 1980 and down 1 percent from the ten-year average. Expansions are up 11 percent from 1980 and down 5 percent from the ten-year average.



Iowa

International Division

South American, Scandinavian – Netherlands trade missions highlight International Division 1981 activities

Iowa manufacturers, suffering from the adverse affects of the recession, are looking overseas to expanding sales. According to recent statistics compiled by the Iowa Development Commission's Research Division, Iowa's estimated total exports for 1980 were $6.34 billion — $3.27 billion agricultural and $3.07 billion industrial. This is an increase of $1.14 billion or 22 percent from Iowa's 1979 exports of $5.2 billion. Iowa ranked number one in the nation in exports per capita and in the top 10 in total exports according to recent International Division information. Approximately 20 percent of Iowa manufacturers export compared to the national average of 10 percent. Exports from Iowa provide 122,000 export-related jobs and generate a payroll of more than $100 million annually. Each $100,000 increase in exports means two more jobs, $28,000 in personal income and $4,000 in state and local taxes.

Trade missions and trade shows

In 1981, 25 Iowa companies participated in two Iowa Development Commission-sponsored trade missions and one trade show.

The South American Trade Mission in March included 12 people representing 18 Iowa manufacturers. The mission generated an estimated potential for $10 million in new business for the Iowa firms within the next 12 months. Governor Robert Ray accompanied the mission to several stops. In September, an Iowa trade delegation including six Iowa manufacturers traveled to Scandinavia and the Netherlands.

The International Division reserved two booths for the state of Iowa at the Representaciones Commerciales trade show held at the U.S. Trade Center in Mexico City in December. Seven Iowa firms participated in the exhibition.

Trade Lead Dissemination Program

The Foreign Trade Lead Dissemination Program, initiated in 1979, is a computerized bi-weekly mailing of foreign trade leads to Iowa manufacturers interested in overseas marketing. The sales leads are matched with Iowa companies according to Standard Industrial Classification. The program was revised this year to include only six and seven-digit SIC codes, the most specific level obtainable. This has resulted in more accurate matching of Iowa products with those requested by foreign buyers/representatives.

Currently 1,463 Iowa companies are involved in the program. More than 50,000 leads were processed during 1981. Iowa is one of five states in the nation to successfully operate such a program.

Foreign Student Contact Program

The Foreign Student Contact Program is designed to promote interaction between Iowa's manufacturers and foreign nationals studying in Iowa's colleges and universities. The majority of the International Division's work with this project is coordinated through the Office of International Educational Services at Iowa State University.

Since May of 1975, 44 placements of 199 Iowa State University students from 34 countries have been made with 52 participating host firms.

1981 Governor's Conference on Export Expansion

The Ninth Annual Governor's Conference on Export Expansion was held in Des Moines, August 6, 1981. More than 160 business persons attended the event.

At the conference, eight Iowa firms were presented "Exporter of the Year Awards" by Governor Ray. Ray commended the winners for promoting Iowa throughout the world and for contributing to the health of the Iowa economy.

Iowa export assistance survey

In November of 1980, the International Division surveyed 1,000

Iowa manufacturers currently exporting or indicating interest in exporting. One of the most important items learned was that the Iowa companies involved in or interested in exporting want state government to identify export business opportunities and provide market information. In response, the International Division sought and received an Economic Administration Technical Assistance Grant of $15,000 and contracted with the International Market Information System, a computerized market data bank, to provide Iowa companies with a new and detailed source of information about foreign markets for their products. With the results of the new IMIS study, the staff will be able to identify overseas markets for Iowa products and provide the Iowa manufacturers with names, addresses and telephone numbers of major importers of their products.

Licensing survey

In September, the International Division conducted a survey of Iowa manufacturers to determine the extent licensing, or selling trademark rights and technologies, is prevalent in Iowa as a sales alternative overseas. Early survey results show the main reason for not licensing is a general lack of knowledge of the practice, according to the respondents. Of those responding that are already licensing, the average annual income from it is $600,000. The advantages of licensing can be very attractive to small firms — little initial investment is necessary, training work force is not necessary, no risk of losing investment and no after-sales service concerns. The International Division is currently planning a series of licensing workshops.

Iowa International Office

The IDC's Frankfurt Office saw an increase in activity with more Iowa companies becoming aware of the office and its usefulness in bridging the gap across the Atlantic for firms wanting European trade. (See page 3 for a full report).

Conferences and meetings

Representatives from the International Division attended two major international trade conferences in 1981, the 44th Annual Chicago World Trade Conference sponsored by the Chicago Association of Commerce and Industry and the Center for International Business' Eighth Annual International Trade Conference in Dallas.

In May the director and assistant director of the International Division traveled to Taipei, Taiwan, to attend the Second Trade and Investment Forum jointly sponsored by the USA-ROC (Republic of China) Economic Council and the Republic of China Board of Foreign Trade.

In October, the division's market coordinator traveled to Atlanta, Georgia, to attend the Fifth USA-ROC Joint Business Conference.

In cooperation with the U.S. International Trade Administration, the International Division co-sponsored the "Doing Business with the European Economic Community" seminar held in Des Moines in September. Eighty-four business executives attended the seminar where they learned how to establish sound trading operations with the Common Market countries.

In October, the International Division co-sponsored an "International Trade Workshop" in Cedar Rapids.

Foreign visitors

International visitors from Nigeria, Canada, Japan, South Africa, Austria, United Kingdom, Peoples Republic of China, Zambia and Taiwan met with the International Division staff in 1981. The division staff provided the visitors with information on Iowa products, arranged plant tours and scheduled appointments with prospective Iowa suppliers.

1981 Exporter of the Year Award Winners

Black Clawson Hydrotile Co., Nashua
Intraco, Oskaloosa
Iowa Mold Tooling Co., Garner
Iowa Precision Industries, Cedar Rapids
Ritchie Industries, Conrad
Stadiums Unlimited, Grinnell
Triple F Inc., Urbandale
Vanmark Corporation, Creston

Iowa

Tourism and Travel

Travelers stop at IDC Information Centers in record numbers

If Iowa's economy had been more closely tied to its travel industry, 1981 might have been a much better economic year in the Hawkeye State.

Interstate information centers

A record number of travelers used Iowa's seven interstate tourist information centers during the 1981 summer session, according to signatures made in guest registration books. Slightly more than 56,800 travel parties were recorded, up 13.4 percent from 1980 numbers.

Iowa also hit a new record in average travel party spending, according to an IDC survey. The 1981 figure was $207.35, for an average travel party of 3.1 people, above 1980 levels. When standard multipliers are applied to these figures, it shows that interestate travelers stopping at the seven information centers added nearly $30.4 million to the Iowa economy in slightly more than three months.

Nearly 83 percent said fuel costs did not alter their plans, and hotels and motels again rated as the type of lodging most often used. The percentage of travelers using commercial campgrounds, however, rose from 15.6 percent in 1980 to 22.5 in 1981.

The survey also indicated that travelers covered more miles on vacation in 1981 than the previous year, for an average trip of 3,212 miles, up 1.4 percent from 1980. The amount of time these travelers stayed in Iowa has also been growing with an average of 2.9 days being spent in Iowa in 1981. Iowans traveling to other spots in their home state ranked first in those who listed Iowa destinations. The top ten states providing visitors to Iowa in order of ranking were: Illinois, California, Michigan, Ohio, Minnesota, Missouri, Iowa, Indiana, Texas and Florida.

Special promotions

In its efforts to expand the number of special events held on state-owned land, the Iowa Development Commission in cooperation with the Iowa Conservation Commission held the state's second special event in 1981. The Forest Craft Festival was held at the Lacey-Keosauqua State Park in Van Buren county. The five-year-old Fort Atkinson Rendezvous is the other special event.

The Forest Craft Festival, held July 18 and 19, was an opportunity for the general public to learn more about the importance of Iowa's forests. Exhibits dealt with the forest and wood in construction, wood as a fuel, the forest and wildlife and the importance of forests to recreation. Those attending had a chance to try their skill with bucksaws and other "hands-on" activities. A number of wood craftspeople also showed their talents ranging from woodcarving to furniture building. The event was held in conjunction with the Van Buren County Summer Arts Festival. Interest and enthusiasm ran high, but a rainy weekend took a toll on the number of people attending.

The fifth Fort Atkinson Rendezvous was held September 26 and 27. This popular event brought 610 participants from five states as the 1840s fort was brought back to life with period military, craftspeople and buckskinners. The rendezvous was highlighted by a period play, a skillet throwing contest and a large number of craft demonstrations.

Rain and wind hampered attendance both days, with the number of spectators dropping to slightly more than 10,500.

Regional travel councils

Updating, reprinting and creating new brochures were the main 1981 activities for Iowa's seven travel regions. The regions were involved in the marketing of their travel attractions through advertising in the media and major newspapers.

In a continuing effort to carry their promotional message to others, regional representatives participated in the Cedar Rapids Sports Show, the Des Moines Travel Show, the sport show in Cedar Falls, the Clay County Fair and the Wigwam-N-Wagon Campers Show in Mason City, Iowa's Golden Southwest also had representation at the Omaha Sports Show. All seven regions were represented at the Iowa State Fair.

Package tour development

The Tourism Division continued to become more deeply involved in package tour development. The division completed the *Iowa Tour/Travel Planning Guide* in July which

gave Iowa the first publication aimed specifically at tour planners and their special needs.

Division personnel conducted workshops to aid the private sector in efforts to attract tour packagers and planners. These workshops are designed to increase public sector awareness of the special needs of tour operators and to familiarize Iowans with the advantages of "going after" the package tour market.

Tourism representatives attended the *Minneapolis Star/Tribune* Travel-Trade Show in Minneapolis in September, the National Tour Brokers Association Marketplace in Phoenix in November and the American Bus Association Marketplace in Montreal, Canada, in December. These marketplaces provided an opportunity for face-to-face meetings with more than 80 tour brokers and bus company owners and over 100 travel agents.

The division is working with various cities and attractions to put together a familiarization tour for group travel planners. The tour is scheduled to take place in the spring of 1982. The joint effort will give group tour planners a chance to get a first-hand look at Iowa's potential for package tours.

Division activity

In 1981 the Tourism Division continued its program of surveying attractions and points of interest throughout Iowa. The project was undertaken to learn the current status of Iowa attractions and to discover or become more familiar with new points of interest. Information gained during the survey is currently being used in a new informational publication that will provide the Iowa travelers with both a map and a listing of a large number of points of interest.

Also coming on line next spring will be a new display for the seven interstate information centers, highlighting Iowa meat products. Done in cooperation with the Iowa beef and pork producers, the display will include brochures with the story of these "Fine Iowa Meats" along with recipes.

The division co-sponsored the Governor's Statewide Tourism Conference with the Iowa Travel Council on April 14 and 15, the first time in many years such a conference was held in the Hawkeye State. More than 160 participants from throughout the state attended the conference which was held in Des Moines. "How to" workshops were held, and a general feeling of unity was established. Another conference is planned for 1982.

In the spring of 1982, the Tourism Division launched the first paid advertising campaign in nine years. Iowa ads appeared in such national publications as *T.V. Guide, Woman's Day, Newsweek, Time, U.S. News and World Report* and *Sports Illustrated*. More than three million readers had an opportunity to gain Iowa travel information through these advertisements. Radio and television public service announcements were produced and distributed featuring the Forest Craft Festival and the Fort Atkinson Rendezvous.

More than $29,000 was spent on postage answering requests for travel information in 1981, and at year's end, more than 533,000 pieces of Iowa travel information had been distributed by the division.

U.S. Travel Data Center report

The Tourism Division contracted with the U.S. Travel Data Center for a statewide report on tourism spending. The report provided interesting and valuable information including how Iowa is progressing in its efforts to capture a larger share of the tourist dollar compared to other states in Iowa's national tourism region.

According to the survey, travelers in Iowa spent $1.5 billion in 1980, a 15 percent increase from 1979. On a per capita basis, travelers in Iowa spent the equivalent of $530 for every resident in the state. More than 54,000 jobs were directly attributable to 1980 travel spending in Iowa during 1980.

Travelers directly generated $58 million in state tax revenue through income, sales and excise taxes. Nearly $65 million was generated for the federal tax coffers and local government received $13.7 million in taxes from tourist spending. Each dollar spent by the state to promote tourism and travel was replaced by $211 in tax revenue at the state and local level.

According to the report, if travel had suddenly ceased in 1980, the number of jobs in the state would have fallen by 4.9 percent, and each resident would have had $106 less income to spend, on the average.

However, while Iowa's travel and leisure time totals are ringing up at a faster rate than ever before, comparison with other Great Lakes Region states, and the U.S. as a whole, shows that Iowa is falling behind. Iowa's growth rate in tourist spending, for example, has not kept pace with the growth in other states or even with the inflation rate.

Iowa's travel regions

Iowa

Public Information

Greater visibility and more aggressive communications projects marked the activities of the IDC and the Public Information Division during 1981.

Telling the Iowa story

A new P.I. Division project is an on-going half-hour, weekly public service radio program reaching 90 of Iowa's 99 counties. "Inside Iowa," first aired in late-July over radio stations KIOA and KMGK-FM in Des Moines. "Inside Iowa" is an informational show broadcast on Sunday mornings, devoted to exploring and relating topics of interest to Iowans. This project serves double-duty since the news department of the station takes cuts from the shows for use in weekend newscasts.

New videotape equipment for in-house public service announcement production, as well as other publicity projects, was purchased in 1981.

Truck trailers and bus benches

The Iowa message has been further told through two innovative and low cost publicity projects. Cooperating with the Surplus Property Division of the General Services Administration, the P.I. Division arranged to have the trailer and sunscreen on the semi truck which travels the country painted with Iowa promotional messages.

Through a cooperative venture of the IDC and the Buildings and Grounds Division of the GSA, a newly designed "Iowa: A Place to Grow" logo has been painted on each of the 20 bus benches lining the capitol grounds which were in need of refurbishing.

Iowa and the film industry

The division's efforts in working with the film industry began with high expectations in 1981.

One high point was the movie premiere of "Take This Job and Shove It" in Dubuque on May 14. In terms of economic impact, the film pumped $1.2 million in the Dubuque area economy during production. "Take This Job and Shove It" ultimately played in 90 percent of the nation's markets and brought in box office revenues of over $18 million, making it one of the highest grossing pictures of the year for Avco-Embassy Pictures.

Because of two industry strikes in Hollywood during the year, other prospect activity in Iowa, along with all other states, experienced a slowdown. Seven feature-length or television productions, with combined total budgets of $23.7 million, took a close look at Iowa as a possible location for their projects. Actual film production in the state was limited to several regional television spots and one national spot for Nissan Motor Company. The division also assisted in the production of an industrial film shot near Des Moines.

The division received 50 inquiries from production companies looking for information regarding filming in the state in 1981, nearly three times the number received during 1980.

Iowa on the air

The Public Information staff worked with "Country Day," a syndicated television show produced at KSTP in Minneapolis. A show on energy-related topics was aired in mid-June and picked up by television stations WHO in Des Moines, KTIV in Sioux City and KTVO in Ottumwa.

Here is a summary of Public Information's support activity during 1981:

- 49 news releases about IDC activities were written by the staff, with approximately 3,050 stories about the agency appearing in Iowa newspapers. Print media reporters interviewed the staff members about 95 times, while at least 100 broadcast media interviews were conducted.
- 137 public presentations to 4,308 people were given by commission staff. During these presentations, audio-visual programs prepared by Public Information were shown about 34 times. A total of 1,027 people viewed IDC slide shows during the year.
- 613 color slides and black-and-white photos were sold or loaned to 36 people.
- During the year the division prepared, or had a hand in preparing, 33 publications.
- The division spent considerable time helping create a new book, *Iowa the American Heartland*, published by Bankers Trust Company. The book uses many of the photographs taken for the *National Geographic* Iowa feature as well as submissions by eight Iowa photographers. The idea for the book came from IDC staff members, and it will prove to be an excellent tool in showing off the best aspects of the state.
- The division produced one public service announcement package for the Iowa Community Betterment Program.
- The division worked with *National Geograhic* magazine on the special Iowa feature which was published in May.
- The staff coordinated and publicized two workshops: The Agricultural Media Workshop, July 28 and the "Iowa's Newest Hired Hand: Using Computers in Agriculture" workshop, August 31-September 1, 1981.
- The division contacted groups participating in the Rose Bowl Parade, January 1, 1982, to publicize the state at this nationally televised event.
- The P.I. Division helped coordinate the governor's proclaiming of Iowa as the "Bicycling Capital of the Nation."
- The division helped host foreign delegations.
- The P.I. Division staff wrote several feature stories and articles on Iowa for outside publications, many with national circulation.
- Other activities included writing the entire script of the Community Betterment Recognition Day program as well as furnishing speech material for IDC staff members.

Iowa Research

The Research Division's function is to provide the five IDC line divisions with data, studies, publications and other help as needed in their normal course of business. The division also has several ongoing projects.

The biennial *Directory of Iowa Manufacturers* was updated and published in 1981. The publication requires a complete census of all manufacturing firms in the state of Iowa. The directories are sold for $15 per copy and should return approximately $75,000 to the State General Fund over the biennium.

Economic data

The economy was an area of concern among Iowans during 1981. The Research Division provides monthly economic data and a quarterly Iowa index, which is published in the *IDC Digest*. Data on housing starts in 23 Iowa cities is compiled monthly and published in the Digest. This information also becomes a part of the *Des Moines Register*'s economic indicators publication.

The annual *Statistical Profile of Iowa*, compiled by the Research Division, gives an overview of the Iowa economy. This publication is provided free of charge to any Iowa citizen requesting a copy.

Fuel sales study

During 1981, the Research Division completed a study analyzing the marketing techniques used in the motor fuel retail industry. This study was particularly valuable in the analysis of the gasohol product promotion and marketing involving the IDC. This study reveals that some form of economic incentive is still needed if gasohol or ethanol fuels are to become economically viable in the marketplace.

In conjunction with this, the Iowa General Assembly enacted a tax incentive to be applied to the purchase of ethanol gasoline blended fuels. The result of the tax incentive has created a dramatic increase in the sales of the ethanol gasoline product in Iowa.

The Reseach Division has been involved with the Iowa Corn Promotion Board in establishing an organization of alcohol fuels producers. The purpose of this group is to discuss common issues that concern the development of future alcohol fuels programs.

Coal exporting study

Another study completed in 1981 concerned the cost and method of exporting Iowa coal to the world markets. The study references exporting Iowa steam coal to Japan and the Far East through the Port of New Orleans. This study has been made available to the Iowa coal industry and the Iowa coal advisory group. The Research Division has been in touch with the Japanese Counsel General regarding the possible purchase of coal by Japan from Iowa.

Early in 1981, the staff completed the report on the travel/tourism impact on the Amana Colonies. Results of the survey indicate that the Amana Society should concentrate their promotional efforts on the corridor and cities along Interstate 80.

Special events surveys

The Tourism and Travel Division, in connection with the Iowa Conservation Commission, developed a second special event in 1981, the Forest Craft Festival in Van Buren County. The Research Division did a survey among the visitors. Although the weather on the festival weekend was rainy, the comments and survey results indicated that it was interesting and very much appreciated by those in attendance.

The fifth Fort Atkinson Rendezvous was held in 1981. Unlike previous rendezvous where the Research Division interviewed and surveyed visitors, this year a serious effort was made to count every visitor to the event. The Research Division, in cooperation with the Tourism and Travel Division, obtained a count of 10,500 for the event. Poor weather during the 1981 rendezvous caused a decrease in attendance from previous years.

A survey of travelers stopping at the IDC's interstate highway information centers was conducted in 1981. (See Tourism and Travel Section for survey results).

Super Slurper

In 1981, the Research Division, in connection with the Agricultural Development and Promotion Division, sponsored a field test of a product developed by the United States Department of Agriculture called super-slurper. Super-slurper is a corn starch product with the capacity to retain 2,000 times its weight in water. The test that the IDC ran in connection with the Grain Processors Corporation and Frit Industries, was to treat seed corn and seed soybeans with super-slurper. The west-central area of Iowa (Boone, Greene and Carroll counties), where the field test took place, was selected because of their shortage of moisture at planting time.

The final field results indicated that, in corn, there was a yield increase of 8.5 percent for corn treated with super-slurper. In soybean tests, no measurable difference could be determined from those areas planted with treated seeds.

Special projects

Recognizing a new management tool, the micro-computer and computer services, the Research Division, in cooperation with the IDC's Ag Division and Iowa State University Extension Service, sponsored an agriculture computer seminar. More than 400 farmers and agri-business people attended the two-day seminar.

During 1981, the Research Division was involved in several special projects, such as the hazardous waste siting bill, tax comparison for the Interim Property Tax Study Committee and the Governor's Ad Hoc Tax Study Committee.

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